

FISCAL YEAR **2015** **ANNUAL REPORT**

OFFICE OF FINANCIAL RESOURCES

(Procurement and Grants Office + Office of the Chief Financial Officer)



**Centers for Disease
Control and Prevention**
Office of the Director



Director's Letter



I am pleased to introduce the Office of Financial Resources' (OFR) Annual Report for Fiscal Year 2015. As trusted stewards of public funds, the Centers for Disease Control and Prevention and the Agency for Toxic Substances and Disease Registry (CDC/ATSDR)¹ continue to strengthen our capacity to make a positive difference in public health for our nation. OFR, formerly the Office of the Chief Financial Officer (OCFO) and the Procurement and Grants Office (PGO), provide critical business services for managing the agency's acquisition, assistance, budgeting, and financial management responsibilities and initiatives. This expertise in financial management, grants, and contracts helped us to manage a record level of funding and to quickly and effectively provide funds to programs and services. In addition, we continued to demonstrate financial excellence by meriting, for the 16th consecutive year, a clean audit opinion on the overall HHS annual FY 2014 financial audit.

This past fiscal year, our office has grown and built a stronger workforce by realigning two offices within CDC. PGO and OCFO merged in October 2015 to form the new Office of Financial Resources, to allow for greater coordination and collaboration across CDC's financial resources portfolio. During the transition we continued to provide intensive support to the fight against Ebola. Our dedicated staff devoted their time and expertise and played a critical role in helping CDC and the affected countries in West Africa with the goal of getting to zero new cases of Ebola.

We have a strong commitment to being efficient and effective while advancing our business practices and developing solutions to critical business issues. These efforts are highlighted in this year's Annual Report. The report includes coverage that demonstrates we:

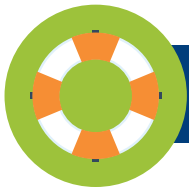
- Processed more than 20,000 contract and grant actions and provided more than \$11 billion in funding to public health programs and research around the world.
- Tripled (from 27 in 2013 to 79 in 2015) the number of briefings held to educate key appropriations offices and Congressional staff on our activities.
- Trained over 1,500 international staff to improve the management of international program funds.
- Developed and redesigned a financial resource Internet site to provide enhanced customer service.
- Implemented a new grants system, GrantSolutions, to support more efficient and consistent business processes and improve reporting.
- Launched a new CDC-wide travel system, Concur Government Edition.
- Deployed more than 50 staff, domestically and internationally, to strengthen financial resources support to the agency's Ebola response.

We hope this report demonstrates how OFR vigorously supports CDC's public health mission. I am grateful every day for the extraordinary teams of people who are dedicated to the agency's success through fiscal accountability and continuous improvement of assistance and acquisition services, budgeting, and financial management. I look forward to working with this community in the coming year to continue to advance CDC's important public health mission of saving lives and protecting people from health and safety threats.

Sincerely,

Christa Capozzola
Chief Financial Officer
Director, Office of Financial Resources

¹ CDC/ATSDR will be referred to as CDC throughout this document.



Ebola Support

Getting to Zero: OFR Team Helps Make It Happen

More than 50 staff, from the former PGO and OCFO offices, served directly in the Ebola response, domestically in the Emergency Operations Center (EOC) and internationally in Guinea, Sierra Leone, and Liberia. Many staff performed financial assistance operations in the EOC as part of their normal job duties, or were deployed to West Africa as financial resource experts. This represents only a fraction of the staff from the grants, contracts, policy, appropriations, and budget teams who have engaged in the Ebola response. Staff continue to serve to participate in the Ebola response.



Did You Know?

Contract specialists helped to secure medical doctors and social workers for five quarantine stations to screen passengers and distribute thermometers and phones. The team purchased nearly 40,000 each of phones and thermometers for incoming passengers. In addition, computers were purchased for use in contact tracing in West Africa.

Contracts

During the past fiscal year, CDC quickly responded to the escalating Ebola public health emergency. Staff worked side by side with the EOC Logistics Team to conduct emergency tasks and requirements. The result of this team dynamic was development of a quicker process for fulfilling emergency transactions. “Our efforts dramatically improved the response,” said Jeff Napier, director of Office of Acquisition Services (OAS). “We were able to quickly take a resource need from the field and make the needed purchase. What normally took weeks or a month to process was done in hours or days with everyone working together.”

In the EOC, OAS contract specialists processed Emergency Logistic Requests (ELRs) from West Africa and internal CDC programs. To date, more than 800 ELRs have been processed, surpassing any number of ELRs from the H1N1 outbreak, currently the second largest emergency response in CDC history.

As CDC’s response grew, the government ordered and purchased significant amounts of personal protective



Monrovia Medical Unit in Liberia, a 25-bed Ebola Treatment Unit for healthcare workers.

equipment (PPE) to use in West Africa and in the United States. Ebola treatment units in West Africa used PPE as well as five quarantine stations at airports across the United States. Contract specialists faced challenges of rapidly purchasing large quantities of PPE while considering market availability. This involved obtaining goods and services at the lowest possible price while avoiding a potential disruption of worldwide market availability. Contract specialists solved the challenge by collaborating with subject matter experts, vendors, manufacturers, and government officials to purchase products from multiple vendors and extend and stagger the delivery dates to receive the shipments over a longer period of time. This alleviated constraints on the PPE industry.



Examples of essential goods and services purchased for the Ebola response

- Additional support for medical clearance screenings at CDC Clinics: \$667,896
- Bug huts for deployed staff: \$15,561
- Travel adapters: \$14,500
- Stockpile personal protective gear to support US hospitals: \$9,843,609
- Vaccine trial study for Sierra Leone: more than \$12 million
- Getting new Ebola cases to zero: PRICELESS

Grants

Organizations and partners in the United States and in West Africa received funds from the Office of Grants Services (OGS). OGS engaged public health stakeholders including ministries of health in West Africa and local and state public health departments in the United States.

International Response, Deployment and Funding Opportunities

Grants management specialists were deployed to West Africa to provide technical assistance for various financial assistance mechanisms. They met with staff of CDC in-country offices, helped define Ebola requirements, and decided which financial assistance mechanisms were necessary for the work in West Africa. Grants management specialists also supported the CDC planning team by guiding them through the funding opportunity announcement (FOA) process to ensure recipients received the necessary resources to address Ebola response and preparedness activities.

“We made sure the grantees’ fiscal and administrative systems were functioning properly and had the capacity to manage the funds they received to carry out CDC funded projects,” said Dionne Bounds, grants management specialist in the Global Health Services Branch. Many new grantees had not previously partnered or received funding from CDC; therefore, OGS provided technical assistance to each new grantee to be able to effectively manage their financial assistance awards.

Nine FOAs were issued by the Global Health Services Branch in support of Ebola and the Global Health Security Agenda as of September 30, 2015. In addition, cooperative agreements under five existing

FOAs received Ebola/Global Health Security funding, all of which resulted in the obligation of \$120,000,000 during FY 2015. Under the nine FOAs, CDC awarded 67 cooperative agreements to 61 organizations working in more than 24 countries to support the activities for Ebola and Global Health Security.

Domestic Response

In January 2015, in support of the domestic Ebola response, the National Center for Emerging and Zoonotic Infectious Diseases (NCEZID) issued a supplemental FOA under its “Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)” cooperative agreement.

The Infectious Diseases Services Branch (IDSB) negotiated and processed the resulting 64 supplemental awards, obligating a total of \$110 million to local, state, and territorial health department grantees. Normally this process takes up to six months to complete, but due to urgency and need, IDSB completed the awards process in half that time. This significant reduction in cycle time was attributed to the successful collaboration between PGO, OCFO, and NCEZID.

“Collaborating with NCEZID at the very early stages was important to our success,” said Carla Harper, IDSB branch chief. Ultimately, CDC successfully and expeditiously provided financial resources to the ELC grantees in the area of biosafety and laboratory capacity during a time when health departments felt they weren’t fully prepared for Ebola response.”

Sixty-two states and territories and partners in the Public Health Emergency Program (PHEP) were awarded \$145 million dollars in supplemental Ebola funding.



Orange fencing marked the start of a “hot zone” within the Monrovia Medical Unit. To enter you must wear proper personal protective equipment.



Yoshinori Nakazawa uses his tablet's GPS receiver to navigate and record geographic information for parts of Kambia District, Sierra Leone. The data are sent to CDC headquarters and shared with other partners.

Ebola Support

“Although it normally takes up to 90 days to issue a supplemental award, during the Ebola response this process was completed in two days,” said Tracey Moore, branch chief of OD, Environmental, Occupation Health and Injury Prevention Services Branch (OEIHPSB).

HHS provided CDC with \$4.7 million in National Special Security Events funding to support the Public Health Emergency Program (PHEP) in December 2014. The team reviewed 62 budgets and awarded the approved funding to the recipients within two days. The purpose of these funds was to strengthen active monitoring and direct active monitoring. The second Ebola supplement was \$145 million to these 62 awardees for Ebola Preparedness and Response activities. The Office for State, Tribal, Local and Territorial Support (OSTLTS) received \$2 million dollars in Ebola funding in January 2015. These funds helped support and build the capacity of local public health preparedness planning and operational readiness for responding to Ebola. In addition, OGS issued an award on behalf of the Center for Surveillance, Epidemiology, and Laboratory Services (CSELS) to the Association of Public Health Laboratories in April 2015. This award provided funds to grantees to develop a laboratory safety program for public health and clinical laboratories that provides access to subject matter experts on clinical and public health laboratory safety for infectious agents.

Budget

Office of Budget Services (OBS) staff provided financial support to EOC Logistics to assist in deploying and procuring services and supplies to West Africa and the United States. Staff spent long hours obtaining most of the supplies and equipment for CDC deployers in-country, including but not limited to PPE, thermometers, hand sanitizers, and malaria drugs.

During the response, staff received Emergency Logistics Request forms (ELRs) indicating items or services needed for the response. For budget purposes, staff recorded and reviewed every procurement on an ELR, whether the action was to purchase a mouse for one computer or an action to buy 1,000 thermometers. After OBS certified the funds, the ELR was sent to PGO for further processing. “We kept the checkbook in line and made sure the money was spent appropriately,” said Cathy Gilbert.



Health screening at the Conakry Maritime Port in Guinea.

A representative deployed to Sierra Leone and Guinea to provide general financial management oversight. Financial tracking management systems established in-country were used to improve and expedite processing funds. “Sierra Leone is a cash-based economy,” said Daniel Nunga, Ebola technical assistance representative. “I assisted with disbursing funds and made sure countries followed all rules to mitigate any risk to the agency.”

Ebola by the Numbers

19 Number of Ebola-related Freedom of Information Act requests published in FY 2015

\$428,066,328 Total dollars awarded for Ebola-related grant activities in FY 2015

304 Total number of Ebola-related grant actions completed in FY 2015



Ebola Active Monitoring and Direct Active Monitoring [AM/DAM]

\$4.7 million, 62 awards

Ebola Response and Preparedness

\$145 million, 62 awards

Policy

Policy and budget formulation staff and CIO policy offices worked together to secure resources and formulate CDC's budget requests, including the anomaly in the FY 2015 Continuing Resolution (CR) and the emergency supplemental budget for Ebola-related funding. Two pivotal successes for CDC during the Ebola response was securing the \$30 million anomaly in the FY 2015 CR and \$1.77 billion in 5-year emergency funding. This was critical funding needed for the domestic Ebola response, the International Ebola response, and for the Global Health Security Agenda and National Public Health Institutes.

Budget formulation staff worked across the agency to determine how much money was needed to support the response. They worked with subject matter experts to review the literature on infectious disease outbreaks and calculate estimates of the number of potential Ebola cases to anticipate the resources CDC would need to get new Ebola cases to zero. One example of a budgetary estimate is that for every diagnosed Ebola case, a certain number of hospital beds are needed. Congress received the budgetary estimates for both the request for the short-term anomaly and for longer-term emergency funding.

During the response, CDC received an overwhelming number of inquiries about the Ebola epidemic. Policy staff had to quickly produce responses for these inquiries. They also provided strategies and recommendations to the EOC and subject matter experts on how to approach each inquiry and improve efficiency in the responses. The Office of Appropriations coordinated and conducted more than 100 Ebola-related meetings for members of Congress and their staff, which aided in bolstering CDC's credibility. Policy staff established strong relationships with members of Congress and critical partners, openly and accurately communicating the status of the Ebola response, the agency's needs, and how the funds were being used.

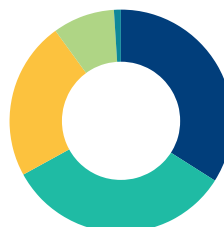


CDC microbiologist James Graziano and virologist Johanna Salazar test blood samples for Ebola at CDC's lab in Bo, Sierra Leone.

Ebola Response and Preparedness Funds

(Dollars in Millions)

In FY 2015, CDC received an appropriation of \$1.771 billion for Ebola Response and Preparedness funds that will remain available to CDC for use through September 30, 2019.



- International Ebola Response 34% (\$603)
- Global Health Security 33% (\$582)
- Other Domestic Ebola Response 23% (\$406)
- Public Health Emergency Preparedness Program 9% (\$165)
- National Public Health Institutes 1% (\$15)

Functional Vests Provide Clear Identification in the Field

CDC staff in Guinea, Sierra Leone, and Liberia needed vests to identify themselves as agency employees. These vests provided critical identification for efficient coordination and communications at multi-agency meetings and activities by helping partners connect with CDC representatives quickly.

Six hundred mission support vests were successfully designed and purchased by the Office of Acquisition Services (OAS), the Division of Communication Services (DCS), and the CDC Foundation. OAS saved \$2,640 on this purchase and processed the order less than 24 hours after receiving the request.



CDC Director Tom Frieden wearing the Ebola vest as he travels to Forécariah, Guinea to discuss the Ebola response.

Ebola Vaccine Trial Study

In January 2015, OAS received a sole source requirement from CDC's National Center for Immunization and Respiratory Diseases to identify a contractor to perform an Ebola vaccine trial study. OAS awarded eHealth and The University of Sierra Leone's College of Medicine and Allied Health Sciences, a subcontractor, the sole source government contract for \$13 million under the authorization of an urgent and compelling requirement. "This was an extremely visible and complex contract with many challenges to overcome in a short timeframe," said Teri Routh-Murphy, lead contract specialist.

The contract provided funding for services to support the implementation of the Sierra Leone Trial to Introduce a Vaccine against Ebola (STRIVE) with CDC and HHS' Biomedical Advanced Research and Development Authority (BARDA) office. The study tested the efficacy of the vaccine. The study population was mainly health care and other frontline workers who might come into contact with Ebola patients. The requirements of the contract were to enroll up to 8,000 individuals. A further proposal was to enroll an additional 500 individuals in a sub-study to measure the immune response to the vaccine and additional 2,000 in the vaccine trial study. In addition to the cost of preparing the vaccines, the contract included services and resources such as project management and clinical resources, administration and logistics staff, investigators, and transportation for the participants to study sites.

CDC continues to work with the contractor to offer support, guidance, and expertise in managing the contract. "Coordination with the contractor, CDC, and BARDA proved to be key in awarding, negotiating, and managing the contract," stated Teri Routh-Murphy. "Although the technical aspects of the contract seemed daunting, we were able to successfully navigate the challenges and implement the critical vaccine study."



An "Ebola is Real" campaign poster in a Liberian village.



International Support

Supporting Global Health Services in Over 80 Countries

The Global Health Services Branch (GHSB) within the Office of Grants Services (OGS) works with governmental organizations, ministries of health, and domestic organizations that received the following CDC funding:

- Global Immunization Division (GID) ~ \$2 million
- Division of Global HIV/AIDS (DGHA) ~ \$1.4 billion
- Division of Global Health Protection (DGHP) Ebola funds ~ \$1.2 billion
- Division of Parasitic Diseases and Malaria (DPDM) ~ \$200 million

This branch of 23 staff is responsible for visiting more than 80 countries. In general, each country has a site visit at least once every two years to conduct risk management functions. The branch has worked hard to assure grantees are accountable for the federal funds they receive and adhere to regulations. GHSB has also partnered with CDC's Center for Global Health to address risk assessments before funds are awarded. These assessments determine if a country is capable of effectively managing grant funds. This can involve site visits to view accounting systems and other financial management and business processes and procedures. In collaboration with the grantee, a corrective action plan is instituted for grants that are determined to be "high-risk." These steps ensure the grantee's success.

Regional Training



Recipients of regional training in South Africa.

During FY 2015, the Office of Budget Services (OBS) supported the Center for Global Health (CGH) to provide regional training in four areas—two regions in Africa, one in Asia, and one

in the Americas/Caribbean. The office offered several individual classes over a two or three week period, with each class designed for a different target audience. For example, the course, *Management of CDC Funds in a Global Environment*, was mandatory for country directors and deputy directors. Locally employed financial staff and others who manage funds in CDC country offices

also attended the training. Training on internal controls and travel also was offered. More than 350 individuals received training this past fiscal year, representing the majority of countries with a CDC presence.

Accountability Reviews

Accountability Reviews (formerly known as Country Management Accountability System or CMAS) is a process that reviews the financial activities of CDC's international field offices and funds awarded to CDC partners in nearly 80 countries through cooperative agreements. The reviews primarily focus on the internal controls of financial activities occurring at CDC's international field offices and foreign grantees which are performed by Budget and Grants staff (OBS and OGS). The reviews are conducted at least once every other year. They are accomplished through document sampling, reviewing transaction level detail, and interviewing key personnel who are responsible for financial management activities and project management of grantee awards. Findings and recommendations from completed reviews are summarized in reports and submitted to countries and CDC's Center for Global Health leadership.

Establishing the Foreign Audit Process

As a result of implementing the Omni-circular, 2 CFR 200 on December 26, 2014, and HHS' Interim Final Rule, 45 CFR 75, HHS has ended activities related to the receipt and issuance of final decisions on audits conducted on behalf of non-U.S. based recipients of CDC funds. In response, CDC created a CDC Foreign Audit Process Team with collaboration from OGS and CDC's Center for Global Health.

The team addressed the following specific issues related to foreign audits:

- Audit process
- Risk management
- Data housing and sharing
- Training and communications

The team developed policies, processes, and procedures on CDC's foreign audit process, evaluated audit findings, created strategies to mitigate risks associated with common audit findings, and determined data housing requirements.



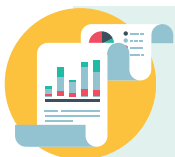
Customer Service

Innovative Solutions — Contracts with Flexibility

The Office of Acquisition Services (OAS) worked in close collaboration with the Management Information Systems Office (MISO) on their CDC Application Portfolio Support Services (CAPSS) requirement—estimated at \$200 million over 5 years.

Contract Specialist Nathan Amador and Contracting Officer Vivian Hubbs partnered with MISO to use a source select tool in processing the CAPSS requirement. The tool leads to a more consistent, high quality technical evaluation report.

Crafted with creativity to meet MISO's needs, the complex IT support services CAPSS requirement includes a line-item structure that works in concert with the written statement of work. The contract schedule, designed to provide stability as well as flexibility, includes line items for primary services, surge line items, optional tasks, and a line-item for a flexible ordering arrangement. This type of technological support could have broad application for CDC's larger, more complex acquisitions.



Did You Know?

PGO and OCFO processed 117 Freedom of Information Act requests in FY 2015.

Connecting with our Customers



The Pulse is available to all CDC staff and

provides news that you can use on financial resources. The growth of subscribers has consistently increased, since October 2014, from 755 subscribers to more than 1,000 subscribers.

New Look for Website



A newly designed website, www.cdc.gov/funding, was launched in July 2015. The new site includes information on CDC's financial resources and the agency's acquisition, budget, grants, and accounting initiatives. The site is easy to use and navigate.

Working Capital Fund

The end of FY 2015 marks completion of the second year of operations for the Working Capital Fund (WCF). Staff worked closely with the Office of the Chief Operating Officer (OCOO), Business Services Offices (BSOs), and CIOs to bill customers and collect revenue while also fostering a better understanding about services provided within the WCF and the cost of those services.

- The WCF successfully closed FY 2015 with more than \$545 million in revenue, with all obligations to bring revenue into the Fund completed by September 30 — meeting the fiscal year-end deadlines.
- The WCF maintained solvency (BSO costs were less than collected revenue).
- A CIO Cost Estimation Tool was deployed to support calculation of WCF costs attributed to Intra-Departmental Delegation of Authority (IDDAs) and other indirect funding sources.
- Hyperion Profitability and Cost Management (HPCM) performance issues were addressed, which resulted in reduced processing time for obligation and expense calculations from 4 hours to 20 minutes.
- The data validation process was improved by providing automated files, which resulted in a more efficient monthly validation process.
- Division-level reports were created, meeting the need to provide consumption and cost data at the CIO Division level.
- Staff continued to provide training for BSOs and CIOs regarding fund operations. This included how rates are calculated and how WCF costs are charged to funding lines. Numerous CIO-specific briefings were held to provide additional information on the WCF.
- A new governance structure was created that included a WCF Workgroup focused on operational and tactical issues as well as a Steering Committee focused on developing a strategic vision and framework for the WCF.

GrantSolutions Paves the Way to Easier Grants Management

CDC's grants management practices have relied on a patchwork of antiquated systems and processes for many years. In 2012, the agency's senior leadership decided to adopt GrantSolutions to address internal and external grants management problems. GrantSolutions is a grants management service that will help CDC and ATSDR offices administer grants by:

- ▶ Retiring aged, expensive, and inflexible processes.
- ▶ Responding to customers' repeated requests for a better process and tool.
- ▶ Revitalizing CDC's grants process with a tool that will dynamically grow with the agency.

The Roll-Out is Underway

GrantSolutions provides tools for developing and processing a Funding Opportunity Announcement (FOA), making awards, closing out an existing grant, and more. The Announcement Module, which is used to draft, approve, and publish Funding Opportunity Announcements, was launched in September 2014 and is in use agency-wide. Implementation of the Grants Management Module for non-research grants and cooperative agreements began in FY 2015 and will conclude in FY 2016. The Grants Management Module is used for pre-award, award, and post-award grants management actions. It provides tools for making program funding recommendations, Notices of Award, receiving and reviewing prior approval requests, and conducting carry-over requests.

The following four centers and their corresponding Office of Grants Services and Office of Budget Services teams are currently using the Grants Management Module:

- ▶ National Center for Chronic Disease Prevention and Health Promotion
- ▶ National Center on Birth Defects and Developmental Disabilities
- ▶ National Center for Immunizations and Respiratory Diseases
- ▶ National Center for Emerging and Zoonotic Infectious Diseases

The remaining 11 Centers, Institutes, and Offices (CIOs) are scheduled to begin using the Grants Management Module no later than June 2016. Providing grantees access to the system will likely begin in late 2016 and follow the rolling schedule of the CIO's transition to the Grants Management Module.

Once grantees have access to the Grants Management Module, they will use the system to perform many grant management activities, including receiving notices of award, entering non-competing continuation applications, and requesting amendments.

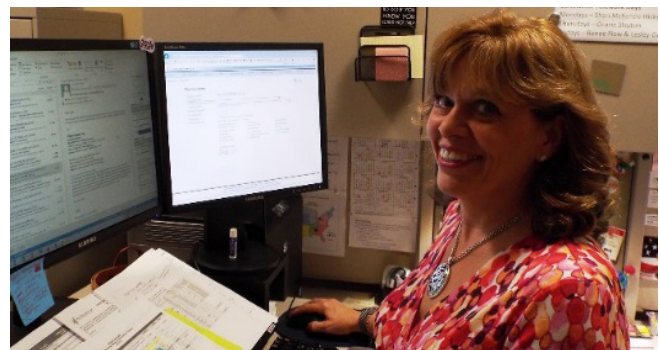
GMM Adoption is Going Smoothly

Transitioning the agency to use of the Grants Management Module is a large effort that includes in-person training, printable job aids, user support, and more. More than 600 staff are using Grants Management Module, and there are approximately 2,000 additional staff who need to be trained.

"It's great to move away from paper. It's easier to share information with colleagues and get the documents signed because it's all electronic," said Stephanie Latham, a grants management specialist. "I think it will make me more productive in the long-term. And, it's great not to have to drag paper files home from work! My old black rolling box is a thing of the past."

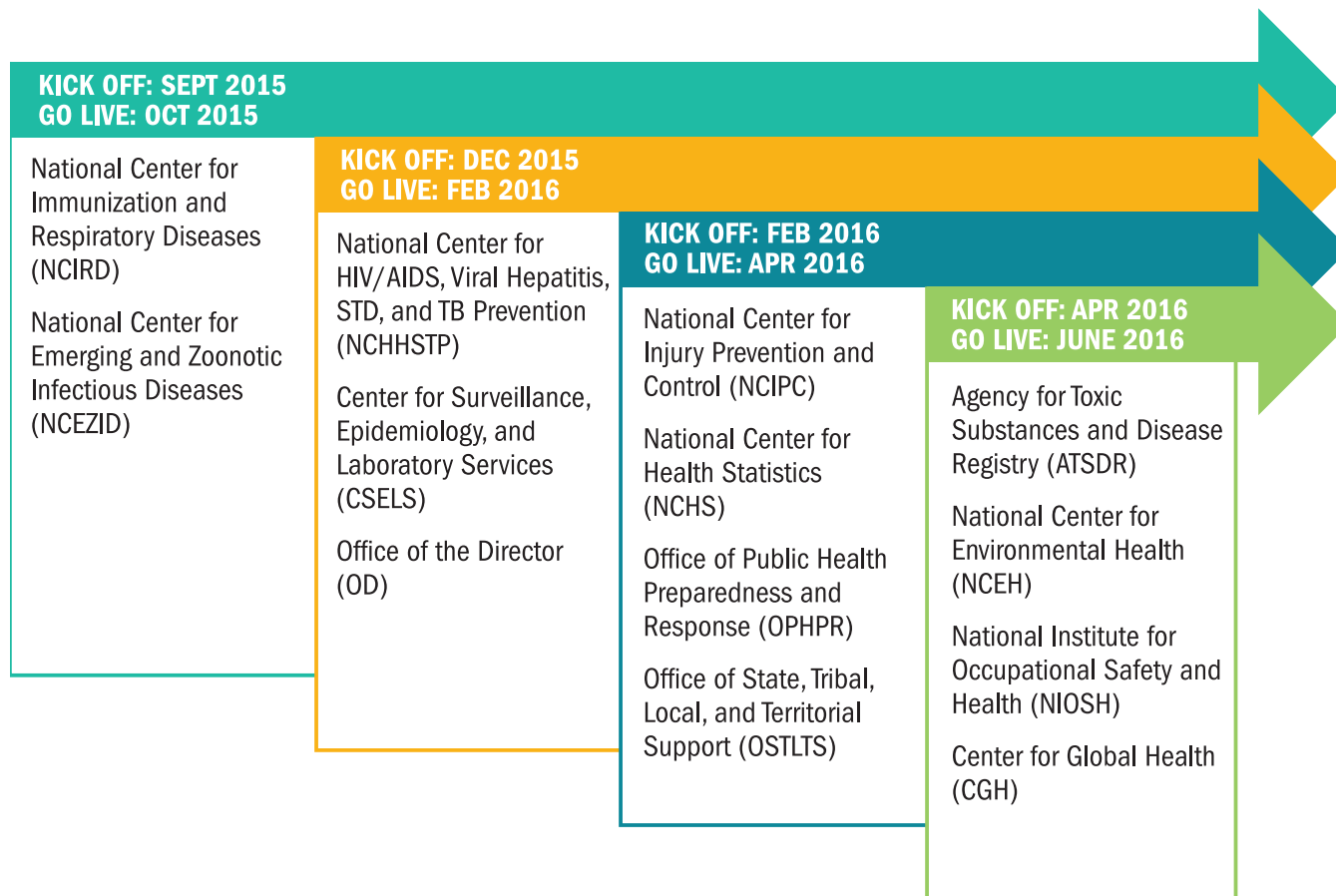
"This is going to be a good system," said Kelly Bishop, acting deputy branch chief and public health advisor in NCCDPHP's Division of Community Health's Program Development and Implementation Branch. "I can see the benefits it will bring when we're all more familiar with it, because everything will be automated and there will be less chance for human error. I think we'll be able to process amendments much faster and hopefully speed up the review and award processing once we're all used to how it works."

Grantees will begin receiving more information about GrantSolutions in 2016. Until then, questions can be emailed to grantsolutions@cdc.gov.



Kelly Bishop

GrantSolutions Grants Management Module FY 2016 Implementation Plan



Grants Management Module demonstration videos are available on the GrantSolutions Intranet.



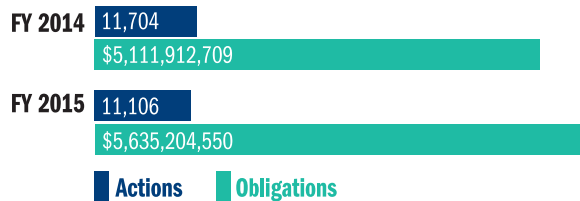


FY 2015 Grants At-A-Glance

Grants

In FY 2015, OGS supported 4,122 grant awards to 1,398 grantees. These 4,122 awards generated 11,106 actions OGS processed and put more than \$5 billion into public health programs and research around the world.

Comparison of FY14 and FY15 total grant actions and obligations processed by OGS

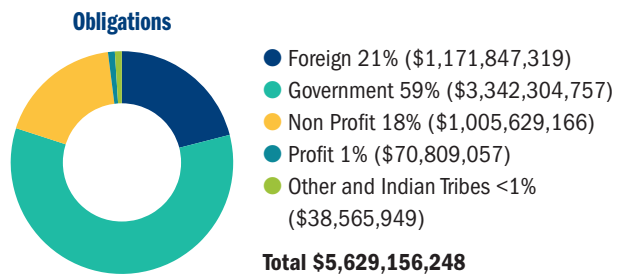
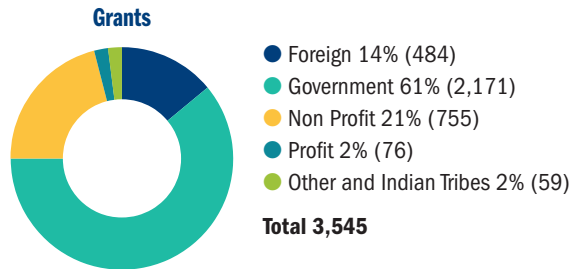


How CDC grant funds were obligated through CDC's Centers, Institutes, and Offices (CIOs)

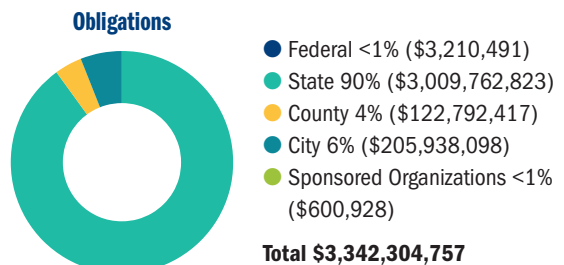
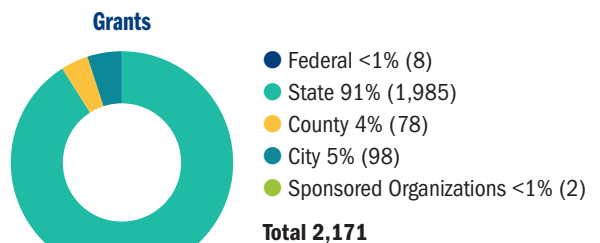
CIO	Grants	Actions	Obligations	% of Actions	% of Obligations
ATSDR	49	81	\$18,729,272	0.7%	0.3%
CGH	832	2,474	\$1,752,014,808	22.3%	31.1%
CSELS	70	157	\$64,849,757	1.4%	1.2%
NCBDDD	187	462	\$58,651,160	4.2%	1.0%
NCCDPHP	877	2,359	\$741,256,042	21.2%	13.2%
NCEH	187	359	\$62,654,531	3.2%	1.1%
NCEZID	138	601	\$328,985,346	5.4%	5.8%
NCHHSTP	869	1,959	\$760,219,038	17.6%	13.5%
NCHS	1	10	\$734,102	0.1%	0.0%
NCIPC	218	612	\$95,610,453	5.5%	1.7%
NCIRD	208	676	\$392,838,657	6.1%	7.0%
NIOSH	267	478	\$119,748,399	4.3%	2.1%
OD	4	9	\$2,926,491	0.1%	0.1%
OPHPR	120	529	\$987,720,549	4.8%	17.5%
OSTLTS	95	340	\$248,265,945	3.1%	4.4%
Total	4,122	11,106	\$5,635,204,550	100.0%	100.0%

Grant and action counts are based on the organization that administers the grant. Dollars are based on the organization providing funding, regardless of which organization administers the grant.

CDC FY 2015 percentage of grants awarded by grantee type



CDC FY 2015 percentage of grants awarded by the type of government recipient



Data for this chart is from <http://tags.hhs.gov>. This data is inclusive of obligated and de-obligated information as well as administrative and close-out actions. Thus, when reviewing funding totals in the aggregate, it does not match FY 2015 amount in other charts on this page.

Domestic grant programs with the largest total funding amounts

Forty-five percent of CDC's grant spending supports these top ten domestic public health priorities.

	Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Cooperative Agreements	62 Grantees	\$985,074,026 Obligations
	Immunization and Vaccines for Children Program	64 Grantees	\$323,200,805 Obligations
	Comprehensive HIV Prevention Programs for Health Departments	61 Grantees	\$306,777,795 Obligations
	PPHF 2014: Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) – Building and Strengthening Epidemiology, Laboratory and Health Information Systems, Capacity in State and Local Health Departments	64 Grantees	\$224,424,691 Obligations
	Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	79 Grantees	\$213,456,299 Obligations
	Preventive Health and Health Services Block Grant	61 Grantees	\$143,164,958 Obligations
	PPHF 2013: OSTLTS Partnerships Building Capacity of the Public Health System to Improve Population Health Through National, Non-Profit Organizations financed in part by 2013 Prevention and Public Health Funds	26 Grantees	\$103,603,920 Obligations
	PPHF 2014: State Public Health Actions to Prevent and Control Diabetes, Heart Disease, Obesity and Associated Risk Factors and Promote School Health	51 Grantees	\$96,152,474 Obligations
	Improving Sexually Transmitted Disease Programs Through Assessment, Assurance, Policy Development, and Prevention Strategies (STD AAPPs)	59 Grantees	\$95,035,351 Obligations
	Tuberculosis Elimination and Laboratory Cooperative Agreements	61 Grantees	\$76,627,389 Obligations

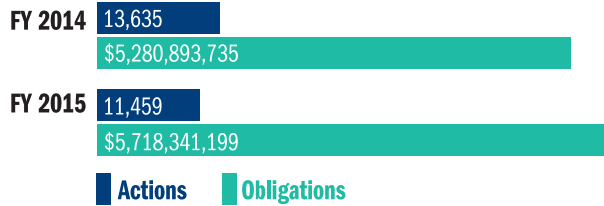


FY 2015 Contracts At-A-Glance

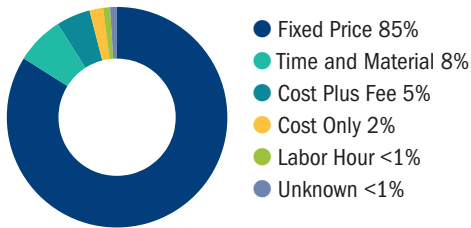
Contracts

In FY 2015, OAS processed 11,459 contract actions that totaled \$5,718,341,199.

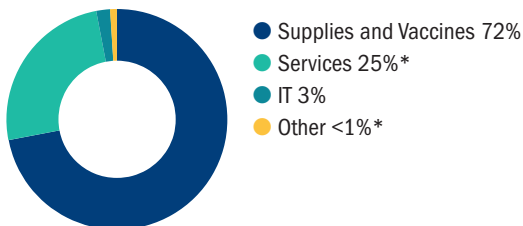
Comparison of FY14 and FY15 total contract actions and obligations processed by OAS



CDC FY 2015 percentage of contract obligations by type



CDC FY 2015 percentage of contract obligations by category



*Services includes some IT services; other includes equipment and furniture, construction, and architect and engineering services.

How CDC contracts were allocated among CDC's CIOs

CIO	# of Actions	Sum of Contract Dollars	% of Actions	% of Total
ATSDR	114	\$13,041,518	1.0%	0.2%
CGH	707	\$80,630,262	6.2%	1.4%
CSELS	271	\$57,639,479	2.4%	1.0%
HRO	91	\$6,813,899	0.8%	0.1%
ITSO	342	\$95,636,400	3.0%	1.7%
MISO	80	\$42,681,612	0.7%	0.7%
NCBDDD	85	\$11,197,541	0.7%	0.2%
NCCDPHP	492	\$185,244,086	4.3%	3.2%
NCEH	782	\$46,125,166	6.8%	0.8%
NCEZID	1,554	\$255,546,976	13.6%	4.5%
NCHHSTP	667	\$100,052,698	5.8%	1.7%
NCHS	616	\$87,291,498	5.4%	1.5%
NCIPC	121	\$16,032,892	1.1%	0.3%
NCIRD	1,211	\$3,909,457,173	10.6%	68.4%
NIOSH	2,476	\$188,092,790	21.6%	3.3%
OCFO	17	\$1,332,728	0.1%	0.0%
OCIO	63	\$8,826,210	0.5%	0.2%
OCOO	92	\$67,577,493	0.8%	1.2%
OD	525	\$60,952,368	4.6%	1.1%
OID	121	\$4,778,900	1.1%	0.1%
ONDIEH	17	\$5,656,753	0.1%	0.1%
OPHPR	392	\$357,847,113	3.4%	6.3%
OPHSS	36	\$5,076,202	0.3%	0.1%
OSSAM	484	\$88,636,877	4.2%	1.6%
OSTLTS	14	\$7,677,283	0.1%	0.1%
PGO	89	\$14,495,282	0.8%	0.3%
Grand Total	11,459	\$5,718,341,199	100.0%	100.0%

*Contract dollars data in this table do not reflect auto-closeout actions.



Innovative Solutions and Systems

Travel Team Successfully Launches E-Gov Travel Service 2 (ETS2), Concur Government Edition (CGE) for CDC Travelers



This year, CDC and 26 other federal agencies began using a new, improved travel system under General Services Administration's (GSA) E-Travel System 2 (ETS2) contract. In July, CDC was one of the last HHS Operating Divisions to switch to the new system — Concur Government Edition (CGE) — a system designed to make traveling easier. Travel, Intra-Governmental Payment and Collection (IPAC), and International Payments Branch (TIIPB) was in charge of the CDC-wide roll out. The CGE Implementation Team, led by Kevin Smagh, former director, Office of Finance and Accounting, launched pilot programs across several Centers, Institutes and Offices (CIOs). The team gathered data as a final test of the system before implementation. Other team members included Barry Taylor, TIIPB branch chief, Geoff Crider TIIPB financial management specialist, and Maggie Hughes, deputy associate director, Office of Financial Information Systems (OFIS), as well as supporting staff throughout CDC.

"It was a mammoth effort to test, pilot, train, and field the new travel system across all of CDC. I was extremely proud of our Travel team's hard work, partnering, and leadership to make the launch a success," said Smagh.

CGE expands on the successes of GovTrip (ETS1) to provide greater ease of use and enhanced functionality. Within CGE, increased automation simplifies the reservation, voucher-processing and payment

experience. In addition, CGE has built-in notifications designed to warn users when reservations might be in violation of HHS travel policies.

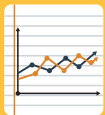
"I am really excited about the reservations process and the robust search engine of CGE," stated Taylor. "The system allows users to directly reserve most airline and hotel arrangements. This results in a great deal of savings for the agency by reducing our dependence on interaction with external travel agents."

In addition to the online training completed by more than 2,700 CGE users, CDC trained more than 1,400 staff through 54 instructor-led classroom training sessions, 20 roadshows, and Lync sessions. Brenda Watson, a travel preparer from Office of the Associate Director for Policy stated, "Great training! Glad it was offered. Education is the key. I like this new CGE tool!"

CGE brings E-Receipt functionality, previously used only by private sector travelers, to the government. This feature provides participating hotels and rental vehicle vendors the ability to electronically add receipts to CGE documents, eliminating the need for travel preparers to do this function manually.

Like any system implementation, the CGE implementation did not come without challenges. The implementation team met each challenge with organized solutions, and continues to support the CDC travel community with communication, training, and user support.





Financial Accountability

Grants Closeouts

The Office of Grants Services' Grants Closeout Team (GCT) closed over 1,045 eligible grant awards in the Payment Management System and de-obligated more than \$42 million dollars at the end of FY 2015. Their efforts resulted in a 99% closure rate for the agency. They made tremendous progress in reviewing CDC grantees' drawdowns, unobligated balances, and other accounting information and performing financial reconciliations to officially close a number of grants in the Payment Management System. Eliminating the backlog of grants eligible for closeout was a management priority in FY 2015. Closing expired grants and cooperative agreements is mandated by the Department of Health and Human Services. CDC now ensures grants are closed in a timely fashion and assesses and measures progress in meeting yearly goals and policy requirements for grants closeouts.

Contract Closeouts

The Office of Acquisition Services (OAS) used an effective three-pronged approach to significantly reduce the number of contracts and purchase orders awaiting closeout and their financial impact on our budget. The office expanded the use of automated (auto) closeouts, and, in partnership with CDC's program offices, undertook several new initiatives to resolve unliquidated obligations (ULO).

- OAS established the auto closeout functionality in the CDC Integrated Contracts Expert (ICE) system in FY 2014. In mid-FY 2015, the ICE auto closeout function was expanded. Actions are automatically closed when the ICE contracting system funded dollar amount matched the Unified Financial Management System (UFMS) expenditures. During FY 2015, more than 3,100 contracting actions were closed as a result of these changes.
- In FY 2015, the contract closeout initiative resulted in more than \$5.5 million in de-obligated funds across the agency. Congress authorized CDC to establish a Working Capital Fund (WCF) in FY 2014. As a "no-year revolving fund," money within the WCF, once earned through the provision of services, are not restricted for use within a period of time. As a result, \$1.3 million of the de-obligated funds were returned to the WCF.

Activities to Reduce Prescription Drug Overdose

CDC included a \$16 million Prescription Drug Overdose (PDO) initiative to address the burden of prescription drug overdose in the United States in the FY 2015 CDC budget submission. The initiative strengthened state-level prevention by providing states with incentives to adopt foundational overdose prevention practices. The initiative also provided states with a menu of interventions for implementation. Staff advanced the proposal through the budget submission processes at HHS and the Office of Management and Budget (OMB). It was ultimately included in the FY 2015 Congressional Justification (CJ). After the release of the FY 2015 CJ, OCFO and program staff engaged in many partnership activities and conducted outreach to educate key members of Congress about the existing burden of PDO and how CDC's proposed activities as outlined in the CJ would address this national problem. As a result, the FY 2015 Omnibus bill included \$20 million for CDC to address PDO, which exceeded the original request by \$4 million.

Commercial Payment Branch sets High Monthly Standards

The Commercial Payment Branch (CPB) enhances customer service by setting high monthly standards on accuracy and timeliness. The CPB staff processes invoices and reviews contracts and purchase orders for proper payments, reviews obligations, and communicates with customers daily. CPB processed nearly 230,000 invoices subject to Prompt Pay for over \$5.7 billion in FY 2015. This is a 3.48% increase from FY 2014. In FY 2014, CPB paid more than 222,000 invoices totaling \$5.4 billion. In addition, approximately \$30,000 in interest was paid in FY 2015, a significant decrease from the FY 2012 amount of \$65,000.

The federal mandate is for all agencies to process 98% of invoices on a timely basis. CPB continues to strive to ensure this goal is met each month. The CPB staff continues to look for ways to improve the process and to better coordinate with program staff, Contracting Officer Representatives, and the Office of Acquisition Services. Outreach and partnerships with CIOs on invoice approvals and clarification of mission-related needs greatly supports this effort. This increases productivity, promotes consistency, and manages the volume of work. The branch continues to meet and exceed customer expectations and has a culture of continuous process improvement that adds value to CDC, our customers, and the economy.

Purchase Cards

Beginning in FY 2015, to comply with the Government Charge Card Abuse Prevention Act of 2012 (Charge Card Act), PGO implemented a review of purchase card records for CDC card holders. They reviewed more than 2,900 records from 232 cardholders between October 2014 and September 30, 2015.

Appendix B of OMB Circular A-123 prescribes policies and procedures to agencies on how to maintain internal controls that reduce the risk of fraud, waste, and error in government charge card programs. On October 5, 2012, the President signed into law the Charge Card Act, Public Law 112-194, which reinforced Administration efforts to prevent waste, fraud, and abuse of Government-wide charge card programs. The Charge Card Act requires all executive branch agencies to establish and maintain safeguards and internal controls for purchase cards, travel cards, integrated cards, and centrally billed accounts.

To ensure compliance with the Charge Card Act, staff conducted monthly risk assessments of CDC purchase card activities to analyze the risks of illegal, improper, or erroneous purchases, and will use these risk assessments to determine the necessary scope, frequency, and number of reviews these programs required.

Budget Formulation

During FY 2015, OCF0 increased in-person congressional visits to the agency by members of Congress and their staff so they could experience CDC's ground-breaking work first-hand. These included:

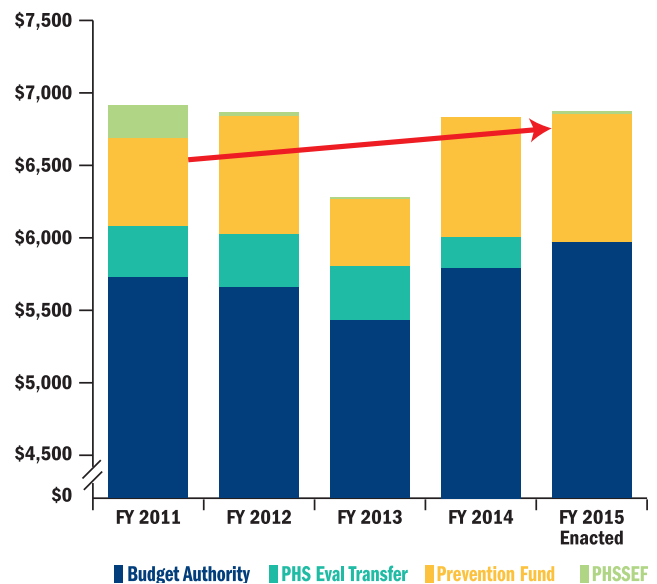
- Visits by Senate Labor, Health and Human Services, and Education (LHHS) Subcommittee Chairman Tom Cole, House LHHS Subcommittee member Andy Harris, and Senate Subcommittee staff to CDC headquarters.
- A visit to a program that reduces high rates of obesity in rural Kentucky by staff from Appropriations Chairman Harold Rogers's office.
- A tour of a Strategic National Stockpile site for Senate LHHS Subcommittee staff.
- An Ebola-related visit to CDC headquarters by former House LHHS Subcommittee Chairman Jack Kingston.
- An Ebola-related visit to the Dulles International Airport Quarantine Station by House and Senate LHHS Subcommittee staff.

Budget Appropriations

The FY 2015 Omnibus bill was signed into law in December 2014. Under this bill, \$6.1 billion in budget authority was appropriated to CDC. CDC Program Level

Funding (including Prevention and Public Health Fund and Public Health and Social Services Emergency Fund transfers) was \$7.0 billion, \$70 million above the funds appropriated for FY 2014. In addition, CDC received \$1.77 billion in budget authority for Ebola Response and Preparedness. CDC also received mandatory funding for Vaccines for Children, Energy Employee Occupational Illness Compensation Program Act (EEOICPA), World Trade Center Health Program, and user fees.

CDC Program Level
Funding in past 5 years



Dollars in millions. FY 2013 reflects sequestration.

Budget Execution

In FY 2015, CDC's operating plan totaled \$8.8 billion, which included enacted appropriations of \$6.1 billion for CDC, enacted Ebola Response and Preparedness 5-year appropriation of \$1.77 billion, Prevention and Public Health Fund transfers of \$887 million, and a transfer of \$15 million for Pandemic Influenza program activity. Authority to obligate \$5.3 billion expired on September 30, 2015. The agency successfully obligated 99.8% of these expiring funds prior to the completion of the fiscal year for the purposes reflected in the figure below.

Obligations by Object Class





Awards

Employee Awards and Recognition

Individual staff and groups in the former OCFO and PGO offices received a variety of awards and honors in FY 2015.

HHS CDC Employees of the Month

Each month, CDC recognizes one employee for their exceptional performance and exemplary actions demonstrated by efficient and courteous service. In FY 2015, three PGO employees were selected for the award. Contract Specialists **Tessa Buffington** (October 2014), **Germaine Mullins** (May 2015), and **Donna Myler** (August 2015) received distinction as CDC-wide Employees of the Month.



Tessa Buffington



Germaine Mullins



Donna Myler

OCOO Honor Awards

Employee recognition remains a strong cultural focus within each office, as shown by award nominations that captured the accomplishments of 175 employees at the 2014 Office of the Chief Operating Officer (OCOO) Honor Awards. The Awards Ceremony recognized both nominees and the following winners for their dedication and outstanding professional service:

Individual Award Winners

- **Debbie Byrd**, Customer Service
- **Geoff Crider**, Communications
- **Robert Lewis**, Motivator
- **Ralph Robinson**, Partnership

Group Award Winners

- **Government Shutdown Contracts Suspension Team**, Customer Service
- **Grants Closeout Team**, Motivator
- **Grants Workload Tracker Super User Team**, Creativity and Innovation
- **OAS, Branch 1**, Public Health Impact
- **Past Performance Information Retrieval System Compliance Rate Improvement Team**, Motivator



Grants Closeout Team

CDC and ATSDR Honor Awards

These individuals and teams were recognized for their dedication and accomplishments during the 2014 CDC and ATSDR Honor Awards Ceremony:

- **John Christ**, Human Capital Management, Employee Development
- **GrantSolutions Pilot Workgroup**, Excellence in Procurement, Contracts, and Grants Management
- **Jared Hegberg**, Excellence in Leadership
- **International Financial Support Team**, Excellence in Finance
- **Mary MacDonald**, Excellence in Policy
- **Carol McElroy**, CGH Nominee for Excellence in Finance, Exemplary Leadership of CDC's Overseas Financial Affairs
- **Office of Acquisition Services, Branch 1**, CDC Director's Award for Public Health Impact

Awards

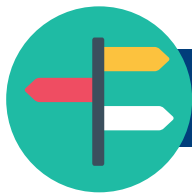
CEAR Award

For the second year in a row, HHS received the Certificate of Excellence in Accountability Reporting (CEAR) Award from the Association of Government Accountants (AGA) for its work on the Agency Financial Report (AFR). The HHS AFR reflects the hard work of those at CDC as well as those of other HHS operating divisions. The financial data contained in the reports represents all funding, obligations, payments, and collections during the year as well as the mission-related accomplishments achieved with CDC's financial resources.

The Office of Finance and Accounting Services demonstrated its financial excellence by contributing to a 16th consecutive clean audit opinion on the overall HHS annual financial statement audit of FY 2014.



Debbie Landers, lead accountant, and Kevin Smagh, former director, Office of Finance and Accounting, accepted the award on behalf of CDC from HHS Acting Deputy Secretary Dr. Mary K. Wakefield.



FY 2016 Preview: Looking Forward

- The Office of Financial Resources (OFR) is finalizing the implementation of the Unified Financial Management System (UFMS)/R12 upgrade in FY 2016. OFR will continue to update CIOs on cutover plans and new processes and develop strategies for financial management systems maintenance, interaction, and integration.
- In collaboration with the National Center for Emerging and Zoonotic Infectious Diseases (NCEZID), OFR developed an Antibiotic Resistance budget initiative for inclusion in the FY 2016 budget submission to HHS and OMB, demonstrating a collective effort to move the agency's public health mission forward. This proposed funding will support all 50 states to work with healthcare facilities to detect and prevent antibiotic-resistant organisms, including *C. difficile*. Funding will also continue to accelerate CDC's efforts to improve antibiotic stewardship in healthcare facilities, detect outbreaks, enhance laboratory testing and move toward comprehensive antibiotic resistance tracking.
- OFR is working closely with the Office of Safety, Security and Asset Management to build a new freezer building at CDC's Fort Collins campus that will house specimens for emerging, zoonotic, and infectious diseases.
- OFR's Office of Acquisition Services will work on the development of an acquisition strategy and plan to ensure that the agency is in compliance with Federal Acquisition Regulations (HHS Acquisition Alert 2015-01).
- OFR will continue efforts to fully implement GrantSolutions across CDC by the end of FY 2016.
- OFR's Office of Grants Services will continue to support CDC's Global Health Security Agenda and the agency's Ebola response efforts by ensuring all HHS policies are adhered to and resources are dedicated to assist with financial assessments and grants management activities.
- OFR will ensure compliance with the Digital Accountability and Transparency Act of 2014 (DATA Act) to provide transparency on CDC's contracts, grants, and other financial data to the public.
- OFR has launched the FY 2016 Planning for Execution Project (PEP) to strengthen CIO-specific budget and procurement planning and joint problem-solving across OFR and CIOs.



Did You Know?

Atlanta and Athens areas raised nearly \$4 million for the Combined Federal Campaign. OCFO and PGO employees contributed \$53,758.

Office of Financial Resources Organization Chart

